

Measuring Disparity: The COV

- Researchers use several different indicators to measure distributions such as disparity, but by far, the most commonly used is the ***coefficient of variation (COV)***.
- It is so heavily used because it is relatively easy to understand. The COV's relative ease is a result of its use of two of the most basic statistical measures available, the standard deviation and the mean:
 - The mean is the most commonly used measure of the average.
 - The standard deviation is a commonly used measure of variation around the mean.
 - The COV is simply the standard deviation divided by the mean.
- The COV is used instead of the standard deviation in order to fairly compare sets of figures with different means, as in the table at the bottom of this page.
- The coefficient of variation has a minimum value of zero, and increasing values mean increasing disparity.
- It is important to note that another reason the COV is used so frequently to compare education spending is that it is an equity factor for federal Title I funding.

***COV for the Fiscal Capacity Models
presented to the BEP Review Committee, Fall 2006***

	Current (95 County)	Alternative	Prototype	Average Tax Rate
Mean	\$5,815	\$5,831	\$5,672	\$5,591
Standard Deviation	\$711	\$781	\$575	\$561
COV	0.122	0.134	0.101	0.100